

Message Text

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HANDELSPOLITISCHE ZIELE DER USA: LIBERALISIERUNG UND REFORM
FO ALMOST 40 YEARS THE USA HAS TAKEN THE LEAD AMONG NATIONS
OF THE WORLD IN SUPPORTING AN OPEN AND LIBERAL INTERNATIONAL
ECONOMIC SYSTEM CONDUCIVE TO A FREE FLOW OF CAPITAL, GOODS AND
SERVICES. THESE LIBERAL IDEALS WERE EMBODIED IN THE MONETARY
SYSTEM ESTABLISHED BY THE BRETTON WOODS AGREEMENTS OF 1944
AND IN THE PRINCIPLES OF INTERNATIONAL TRADE CONTAINED IN
THE GENERAL AGREEMENT ON TARIFFS AND TRADE, THE GATT, NEGOTIATED
IN 1947. THE US COMMITMENT TO THE IDEAL OF A LIBERAL AND EQUITABLE
INTERNATIONAL ECONOMIC SYSTEM HAS BEEN VALIDATED AND STRENGTHENED
BY THE GROWTH OF WORLD TRADE THAT HAS TAKEN PLACE WITHIN THE
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FRAMEWORK OF THESE AGREEMENTS. THIS GROWTH IN INTERNATIONAL TRADE HAS ACCOMPANIED, AND CONTRIBUTED TO, THE HISTORICALLY UNEQUALED INCREASE IN THE PROSPERITY OF ALL IMPORTANT TRADING NATIONS OF THE FREE WORLD.

TWENTY- FIVE YEARS OF GROWTH AND PROSPERITY, HOWEVER, HAVE GREATLY CHANGED OUR ECONOMIC ENVIRONMENT. SERIOUS IMBALANCES HAVE APPEARED IN BOTH THE TRADE AND MONETARY RELATIONSHIPS, IMBALANCES WHICH COULD NOT BE FULLY RECTIFIED UNDER THE EXISTING SYSTEM, WHICH ASSUMES A PRE- EMINENCE FOR THE AMERICAN ECONOMY AND A ROLE FOR THE AMERICAN DOLLAR THAT NO LONGER ACCORDS WITH PRESENT CIRCUMSTANCES. ELIMINATION OF THESE IMBALANCES AND THE CREATION OF A MORE FLEXIBLE BUT STABLE WORLD ECONOMIC ORDER ARE THE OBJECTIVES OF THE CURRENT EFFORTS AT REFORM OF THE INTERNATIONAL TRADE AND MONETARY SYSTEMS. THESE CAN ONLY BE UNDERSTOOD AS COMMON OBJECTIVES OF ALL MEMBERS OF THE INTERNATIONAL COMMUNITY, AND ACHIEVEMENT OF THESE OBJECTIVES CAN ONLY BE ACCOMPLISHED BY A COMMON EFFORT. THE CLOSE ECONOMIC INTERDEPENDENCE OF WESTERN NATIONS AND THE RESULTING SENSITIVITY OF NATIONAL ECONOMIC REFORM A VITAL MATTER FOR ALL NATIONS.

A GREAT DEAL OF CONSTRUCTIVE COOPERATION HAS ALREADY BEEN EXHIBITED IN THE RESOLUTION OF THE MONETARY CRISES OF THE LAST TWO MONTHS. THE COMMITTEE OF THE 20 IS WORKING ON AN URGENT BASIS TO SHAPE A NEW, REFORMED MONETARY SYSTEM UNDER WHICH SUCH CRISES WILL, HOPEFULLY, NO LONGER ARISE. THE GOAL OF THIS REFORM WILL BE TO CREAT A SYSTEM WHICH WILL ALLOW THE FREEST POSSIBLE TRADE AND INVESTMENT FLOW AND AT THE SAME TIME PROMOTE DOMESTIC GROWTH AND PRICE STABILITY.

KEY TO THIS REFORM WILL BE THE STABLISHMENT OF A BALANCED AND DISCIPLINED ADJUSTMENT PROCESS, SOMETHING LACKING UNDER THE BRETTON

WOODS SYSTEM. ADJUSTMENT IS INCREASINGLY SEEN TO BE A TWO- SIDED PROCESS WHICH NECISSITATES ACTION BY THE SURPLUS COUNTRIES AS WELL AS DEFICIT COUNTRIES, A CONCEPT FOR WHICH THE FEDERAL REPUBLIC HAS SHOWN CONSIDERABLE UNDERSTANDING, STRENGTHENING OF THE ADJUSTMENT

PROCESS CAN BE BEST ACHIEVED, HOWEVER, WHEN MAXIMUM FLEXIBILITY IS LEFT

TO THE NATIONAL GOVERNMENTS AS TO HOW THIS ADJUSTMENT IS TO BE CARRIED

OUT.

THE US PROPOSALS FOR MONETARY REFORM CONCENTRATE ON IMPROVING THE QUICK ADJUSTMENT PRESPONSE TO IMBALANCE IN THE MONETARY SYSTEM AND THUS PREVENTING LARGE AND PERSISTENT IMBALANCES FROM ARISING. THESE PROPOSALS AIM AT USING MONETARY UNCLASSIFIED

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FORCES RATHER THAN CONTROLS TO THE EXTENT POSSIBLE. THEY ARE THEREFORE DIRECTED AT INTRODUCING MORE FLEXIBILITY INTO THE PARITY SYSTEM, SO THAT THE PRICE MECHANISMS RATHER THAN GOVERNMENTAL INTERFERENCE CAN BRING ABOUT THE NECESSARY ADJUSTMENTS.

NEITHER THE US PROPOSALS NOR ANY OTHER APPROACH TO MONETARY REFORM WOULD BE COMPLETELY SUCCESSFUL IF IT WERE NOT BASED UPON A LIBERAL AND EQUITABLE TRADING SYSTEM. HISTORICALLY, PROGRESS TOWARD THIS GOAL HAS CENTERED ON TWO ASPECTS OF THE TRADING ORDER: TARIFF LEVELS AND GENERAL PRINCIPLES. DURING THE COURSE OF THE CLOSE CONSULTATION WITHIN THE INTERNATIONAL COMMUNITY IN PREPARATION FOR THESE NEGOTIATIONS THERE HAS BEEN GENERAL AGREEMENT TO CONSIDER FURTHER ACTION IN BOTH OF THE AREAS. INDUSTRIAL TARIFF LEVELS COULD BE LOWERED STILL MORE THAN THEY WERE IN THE KENNEDY ROUND IN 1962, PERHAPS OVER TIME EVEN TO ZERO. THE BASIC PRINCIPLES OF THE GATT, SUCH AS THE MOST FAVORED NATION PRINCIPLE, WILL BE RE-EXAMINED WITH A VIEW TO STRENGTHENING THEM AND EXTENDING THEIR SCOPE.

THE US AND THE EC HAVE AGREED THAT AGRICULTURE SHOULD BE INCLUDED IN THE GATT NEGOTIATIONS. EFFECTIVE EUROPEAN COMMUNITY LEVIES ON AGRICULTURAL PRODUCTS, FOR INSTANCE, ARE UNIQUELY HIGH, FOR GRAIN LEVIES, FOR EXAMPLE, SOMETIMES 80 - 90 PER CENT. AGRICULTURAL PRODUCTS ARE ALSO LARGELY EXPECTED IN THE GATT FROM THE RULES OF FAIR PLAY THAT REGULATE TRADE IN OTHER COMMODITIES. THIS SPECIAL TREATMENT MAY HAVE BEEN APPROPRIATE TWENTY-FIVE YEARS AGO, BUT THE SPECIAL CONDITIONS THAT MADE IT NECESSARY THEN NO LONGER EXIST. LIBERALIZATION IN THE AGRICULTURAL SECTORS WOULD BRING WITH IT THE CLASSIC ECONOMIC BENEFITS OF FREER TRADE. FOR THE EUROPEAN CONSUMER THIS WOULD MEAN, FOR INSTANCE, LESS EXPENSIVE MEAT, SINCE THE EUROPEAN PRODUCERS OF POULTRY, SWINE, AND BEEF WOULD BE PAYING LESS FOR FEED GRAINS.

LIBERALIZATION OF AGRICULTURE WOULD HAVE YET ANOTHER ECONOMIC BENEFIT FOR ALL CONCERNED WITH THE INTERNATIONAL EFFECTS OF PERSISTENT US TRADE DEFICITS: A POSITIVE EFFECT ON THE US BALANCE OF PAYMENTS. FOR A COUNTRY SUCH AS GERMANY WHERE AGRICULTURAL EXPORTS ARE RELATIVELY SMALL, HINDERANCES TO TRADE IN THIS SECTOR MAY NOT APPEAR IMPORTANT. IN RECENT YEARS ABOUT 20 PERCENT OF US EXPORT INCOME HAS BEEN EARNED IN AGRICULTURE, HOWEVER, AND IN VIEW OF THE USA'S NATURAL ADVANTAGE IN THIS AREA, THIS FIGURE MAY WELL INCREASE. IF THE US TRADE POSITION

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IS TO BE BROUGHT INTO BALANCE, AS INDEED IT MUST, THEN LIBERALIZATION OF TRADE IN AGRICULTURE WILL NEED TO MAKE AN

CONTRIBUTION TO THIS GOAL.

CONSIDERATIONS OF BOTH EQUITY AND ECONOMIC BENEFIT WILL ALSO PLAY AN IMPORTANT ROLE IN THE TREATMENT OF NON- TARIFF BARRIERS AT THE MULTILATERAL TRADE NEGOTIATIONS. NON- TARIFF BARRIERS WERE NOT A MAJOR SUBJECT OF PREVIOUS TRADE LIBERALIZATION ROUNDS, BUT THE HUNDREDS OF THESE BARRIERS, IDENTIFIED BY STUDY GROUPS PREPARING FOR THESE NEGOTIATIONS THIS FALL, HAVE IN MANY CASES A MORE DETRIMENTAL EFFECT ON TRADE THAN CUSTOMS DUTIES. IMPORT QUOTAS, EXPORT SUBSIDIES, DESIGN AND PERFORMANCE STANDARDS, GOVERNMENT PROCUREMENT PRACTICES AND RESEARCH AND DEVELOPMENT SUBSIDIES - ALL THESE HAVE BEEN USED TO DISTORT THE FLOW OF INTERNATIONAL TRADE.

NEGOTIATIONS ON NON- TARIFF BARRIERS WILL BE COMPLICATED. DETERMINING RECIPROCITY WILL BE PARTICULARLY DIFFICULT. EQUALLY DIFFICULT WILL BE DISCRIMINATING BETWEEN THOSE NON- TARIFF BARRIERS DESIGNED TO SEVE A LEGITIMATE DOMESTIC PURPOSE AND THOSE INTENDED SIMPLY TO PROVIDE ECONOMIC PROTECTION. IN THE FORMER CASE, THE NEGOTIATIONS SO THAT YOU OBJECTIVE SOUGHT - ENVIRONMENTAL PROTECTION OR PUBLIC HEALTH, TO NAME TWO WXAMPLES - CAN BE ACHIEVED WITH THE MINIMUM OF TRADE DISTORTION. ELIMINATION SHOULD BE THE GOAL IN THE CASE OF NON- TARIFF BARRIERS WHOSE PURPOSE IS PURELY PROTECTIVE.

ANOTHER MAJOR ENDEAVOR FOR THE NEGOTIATIONS IN THE GATT THIS FALL WILL BE CONSIDERATION OF THE NEEDS OF THE DEVELOPING COUNTRIES IN A REFORMED TRADING SYSTEM. IN ECONOMIC RELATIONS WITH THE DEVELOPING COUNTIRES, THE EUROPEAN COMMUNITY HAS ESTABLISHED PREFERENTIAL ARRANGEMENTS FOR THE IMPORTS OF A NUMBER OF AFRICAN AND MEDITERRUNE AN. TWO ASPECTS OF THESE ARRANGEMENTS, HOWEVER, SUGGEST THE NEED FOR CHANGE: (A) THESE ARRANGE- MENTS ARE LIMITED TO CERTAIN COUNTRIES AND (B) THESE PREFERENTIAL ARRANGEMENTS ARE OFTEN ACCOMPANIED BE REVERSE PREFERENCES ECONOMICALLY DETRIMENTAL TO THE DEVELOPING COUNTRY AND A UN- JUSTIFIABLE EXECPTION TO THE GENERAL PRINCIPLE OF MOST FAVORED NATION TREATMENT. A RECONSIDERATION BY THE EC OF THIS POLICY WOULD OPEN THE POSSIBILITY OF AN IMPROVED AND BROADENED GENERALIZED, PREFERENCE SYSTEM FOR DEVELOPING COUNTIRES AT THE MULTILATERAL TRADE NEGOTIATIONS.

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THIS DOES NOT CONSTITUTE AN ALL INCLUSIVE AGENDA FOR THE FORTHCOMING NEGOTIONS THAT WILL BEGIN THE WORK OF FORMING A NEW ECONOMIC SYSTEM THIS YEAR, BUT IT DOES GIVE AN IDEA OF THE FAR- REACHING TASK WE FACE. SUCCESS WILL NOT COME EASILY, BUT THE RESULTS WILL BE COMMENSURATE WITH THE EFFORT WE WILL HAVE

TO EXPEND FOR WE WILL HAVE THE OPPURTUNITY CREATING A FREER
MORE EQUITABLE ECONOMIC ORDER, AND ECONOMIC ORDER THAT WILL
PROMOTE BOTH PROSPERITY AND POLITICAL STABILITY IN THE WORLD.
HILLENBRAND

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